



PUBLIC NOTICE

Federal Communications Commission
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DA 15-320
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**APPLICATIONS FILED BY FRONTIER COMMUNICATIONS CORPORATION AND
VERIZON COMMUNICATIONS INC. FOR THE PARTIAL ASSIGNMENT OR
TRANSFER OF CONTROL OF CERTAIN ASSETS IN CALIFORNIA, FLORIDA, AND TEXAS**

PLEADING CYCLE ESTABLISHED

WC Docket No. 15-44

Comments/Petitions Due: April 13, 2015
Reply/Oppositions Due: April 28, 2015

Frontier Communications Corporation (Frontier) and Verizon Communications Inc. (Verizon) (together, Applicants) filed a series of applications¹ pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (Act),² seeking approval for various assignments and the transfer of control of licenses and authorizations held by Verizon's wholly-owned subsidiaries in California, Florida, and Texas to Frontier.

Verizon's operating subsidiaries, Verizon California Inc. (Verizon California), Verizon Florida LLC (Verizon Florida), and GTE Southwest Incorporated d/b/a Verizon Southwest (Verizon Texas) (together, the Transferring Companies) provide incumbent local exchange carrier (LEC), long distance, retail broadband, and video services in portions of their respective states.³ Applicants state that these operations include approximately 3.7 million voice connections, 2.2 million broadband (DSL and FiOS) connections, and 1.2 million FiOS video connections.⁴

¹ See *Verizon Communications Inc. and Frontier Communications Corporation Application for Consent to Partially Assign and Transfer Control of Authority to Provide Global Facilities-Based and Global Resale International Telecommunications Services and Transfer Control of Domestic Common Carrier Transmission Lines, Pursuant to Section 214 of the Communications Act of 1934, as Amended*, WC Docket No. 15-44 (filed Feb. 24, 2015) (Application). Applicants filed a supplement to the Application on March 6, 2015. Letter from Jennifer L. Kostyu, Counsel to Frontier, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 15-44 (filed March 6, 2015) (Frontier March 6, 2015 *Ex Parte* Letter).

² 47 U.S.C. §§ 214, 310(d).

³ Application, Exh. 1 (Description of the Parties, Description of the Transaction, Public Interest Statement, Administrative Matters) at 9.

⁴ Applicants state that the proposed transaction does not involve any mobile wireless operations, and Verizon Wireless will continue to provide services in California, Florida, and Texas. *Id.* at 9, n.16.

Frontier, a publicly traded Delaware corporation, provides telecommunications and broadband services, including local and long distance voice, broadband data, and video, through its wholly-owned operating companies.⁵ It currently serves approximately 4 million customers and has 2.3 million broadband customers in 28 states in predominantly rural areas and small and medium sized cities.⁶ Applicants state that no individual or company owns or controls ten percent or more of Frontier's stock.⁷ Applicants state that Frontier's Petrolia, Coleville, and Grimes exchanges in California are adjacent to Verizon's Whitethorn, Bridgeport, and Knights Landing exchanges, respectively.⁸

On February 5, 2015, Frontier and Verizon entered into a Securities Purchase Agreement (Agreement).⁹ Pursuant to the terms of the Agreement, Verizon will create Newco as a wholly-owned subsidiary.¹⁰ Prior to closing, the ownership interests of the Transferring Companies will be moved to Newco so that they will become wholly-owned, direct subsidiaries of Newco.¹¹ Frontier will then purchase all of the ownership interests of Newco.¹² Upon completion of the proposed transaction, Newco will become a wholly-owned, direct subsidiary of Frontier and, accordingly, the Transferring Companies will become wholly-owned, indirect subsidiaries of Frontier.¹³ In addition, certain voice long distance customers of Verizon Long Distance LLC will be assigned to Frontier Communications of America, Inc.¹⁴ Applicants state that these customers represent primarily originating switched long distance traffic initiating from the local exchanges in California, Florida, and Texas that are a part of the proposed transaction.¹⁵

Applicants assert that the proposed transaction is in the public interest. They maintain that Frontier's focus on wireline investment will improve service for all customers, including in rural areas.¹⁶ Applicants state that they currently provide no overlapping services and claim that the proposed transaction will not result in a reduction of competition in any market.¹⁷ They further assert that Frontier is qualified to serve Verizon's customer base, that the transaction will increase competition, and that it

⁵ *Id.* at 4.

⁶ *Id.* at 4-5. Frontier's current service territories are in Alabama, Arizona, California, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Utah, Washington, West Virginia, and Wisconsin. *Id.* at 5, n.5.

⁷ Application at 6.

⁸ Frontier March 6, 2015 *Ex Parte* Letter at 2.

⁹ Application, Exh. 1 at 8.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ *Id.* at 8-9.

¹⁴ *Id.* at 9.

¹⁵ *Id.* Applicants state that the Transferring Companies also may provide some, primarily intraLATA, long distance services. *Id.* at 9, n.14.

¹⁶ *Id.* at 12-15.

¹⁷ *Id.* at 18-19.

will result in cost savings, which will expand Frontier's infrastructure investment, including for broadband services.¹⁸

SECTION 214 AUTHORIZATIONS

A. International

The application for consent to the transfer of control of certain international section 214 authorizations from Verizon to Frontier has been assigned the file numbers listed below.

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-ASG-20150224-00052	Verizon Long Distance LLC	ITC-214-20001121-00680
ITC-T/C-20150224-00055	GTE Southwest Incorporated dba Verizon Southwest	ITC-214-20080219-00077
ITC-T/C-20150224-00056	Verizon Florida LLC	ITC-214-20080219-00064
ITC-T/C-20150224-00057	Verizon California, Inc.	ITC-214-20080219-00063

B. Domestic

The Applicants filed a series of applications to transfer control of domestic section 214 authority in connection with the proposed transaction. In light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, the domestic transfer of control applications are not subject to streamlined treatment.¹⁹

SECTION 310(d) APPLICATIONS

The applications for consent to the transfer of control of a license under section 310(d) have been assigned the file numbers listed below.

<u>File Number</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0006674665	GTE Southwest Incorporated dba Verizon Southwest	KG4012
0006674669	Verizon Florida Inc.	KIY21
0006674674	Verizon California Inc.	KF5881

GENERAL INFORMATION

The applications referenced herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file comments **on or before April 13, 2015**, and reply comments **on or before April 28, 2015**.

Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS). *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

¹⁸ *Id.* at 12-23.

¹⁹ *See* 47 C.F.R. § 63.03(c)(1).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://apps.fcc.gov/ecfs/>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

In addition, provide one copy of each pleading to each of the following:

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., fcc@bcpiweb.com; phone: (202) 488-5300; facsimile: (202) 488-5563;
- 2) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov or (202) 418-1413 (facsimile);
- 3) David Krech, Policy Division, International Bureau, david.krech@fcc.gov or (202) 418-2824 (facsimile);
- 4) Linda Ray, Broadband Division, Wireless Telecommunications Bureau, at linda.ray@fcc.gov or (202) 418-7247 (facsimile);
- 5) Neil Dellar, Office of General Counsel, TransactionTeam@fcc.gov or (202) 418-1234 (facsimile).

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.²⁰ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte*

²⁰ 47 C.F.R. §§ 1.1200 *et seq.*

presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the Applications in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.²¹ A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Dennis Johnson, Wireline Competition Bureau, (202) 418-0809; David Krech, Policy Division, International Bureau, (202) 418-7443; or Linda Ray, Wireless Telecommunications Bureau, (202) 418-0257.

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²¹ See 47 C.F.R. §1.45(c).